

Release: Immediate
 May 27, 2004

Attorney General Steve Carter proposes a governing structure to lead Conner Prairie into the future

Indianapolis – Two entities comprised of board members appointed by state, local and Earlham College officials would manage and operate the Conner Prairie Museum announced Indiana Attorney General Steve Carter today.

“The governing structure of the Museum needs to be modified in a way that enhances the chances of success of Conner Prairie in the future,” Attorney General Steve Carter said. “I am proposing a governing structure that is crafted to meet the spirit of Mr. Lilly’s original gift. Since his passing, the Museum has grown and prospered. But to further his intentions for the long-term success of Conner Prairie, it is important to take these steps.”

In January, Carter announced his vision for a new governing entity for Conner Prairie by creating a new entity that would serve as the Trustee of the public charitable trust created by Eli Lilly in 1964. The new Trustee would be independent of Earlham College, managing the public charitable trust solely for the benefit of the Conner Prairie Museum.

The new governing structure would involve the creation of a Foundation and an Operating Company. The Foundation would hold, for the benefit of the museum, the real property, personal property and an endowment solely for the benefit of the Museum. It would focus on the long-term interests of the Museum, but would not operate or manage the museum or engage in fundraising. The Operating Company would operate and manage the Museum on a daily basis and conduct all fundraising for the benefit of the Museum.

“This proposal creates a community-based structure that would play a meaningful role in the Museum’s operation,” Carter added. “It is an arrangement that should be helpful to fundraising and provides flexibility to enable the Museum to adapt to future needs and goals.”

The Attorney General will provide the details of the new governing structure to the full Board of Trustees of Earlham College, and will request that they approve it at their next board meeting now scheduled for June 4 at Conner Prairie.

-MORE-

“While other issues, including a division of assets, remain to be resolved, agreeing on a governing structure is an essential first step,” Carter stated. “An agreement will boost employee morale and public confidence at the same time.”

The **Foundation** Board of Directors would consist of seven members appointed by the following:

The Board of Trustees of Earlham College two directors
Governor of State of Indiana one director
Chief Justice of the Indiana Supreme Court one director
Hamilton County Judiciary one director
Operating Company two directors

Because the Foundation would choose the initial Board of the Operating Company, the Attorney General would make the initial appointments to the Board of the Foundation on behalf of the Operating Company.

The **Operating Company** Board of Directors would consist of eleven members selected by the Board of the Foundation. At least one Director would be selected from nominees made by each of the following organizations and officeholders:

The Hamilton County Board of Commissioners
The Mayor of Carmel
The Town Council of Fishers
The Governor of the State of Indiana
The Mayor of Indianapolis
The Board of the Indianapolis Convention and Visitors Association
The Board of the Hamilton County Convention and Visitors Bureau
Earlham College; and
The Indiana Attorney General

The Board of the Foundation would select two of its members to fill the remaining two directorships.

Carter is planning two public hearings in the coming weeks on the issue. The first hearing is scheduled for 7:00 PM, June 10th at the Fishers Town Hall. The second meeting will be held in Richmond on June 21st. A location will be announced in the near future.

“The goal is to establish public confidence in the future of the Museum. This can be best achieved if the public has had the opportunity to participate in the process,” Carter stated. “Public input is important and necessary as we work toward a positive solution.”

Corporate Governance Advantages

1. Eliminates conflict of interest issues created when a trust beneficiary is also the trustee.
2. Provides financial stability for Earlham College and the Conner Prairie Museum through absolute separation of the financial gifts.
3. Establishes an entity with the sole focus on the Museum's mission and activities.
4. Resolves concerns over the local community's level of involvement in Museum activities.
5. Removes concerns that Museum operations might be curtailed or significantly reduced.
6. Enhances fundraising activities opportunities specifically for the Museum